

U.S. Treasury Department's Guarantee Program for Money Market Funds

Q&A

How the Program Works

Which money market funds are eligible under the program?

The U.S. Treasury Department has extended its voluntary guarantee program to shareholders of record in money market funds that met the following requirements as of September 19:

- ◆ registered with the SEC;
- ◆ publicly offered;
- ◆ regulated pursuant to Rule 2a-7 under the Investment Company Act of 1940; and
- ◆ maintained a stable \$1.00 net asset value (NAV) per share (or greater).

What is being guaranteed?

The U.S. Treasury Department will guarantee the September 19th 2008 share value of eligible money market mutual funds. It is a temporary, 90-day program scheduled to end on December 19, 2008, although the Treasury may extend this time period.

Do individual investors elect to participate in the program?

No. The guarantee program is elective, but each money market fund's board may choose to participate by applying for the program and paying a fee to the U.S. Treasury Department. After the application is filed, it is expected that Treasury will notify funds whether the application has been approved. While the Treasury has not announced the time by which approval will be provided, it is expected to take between 7 – 10 days from date of application.

We are pleased to announce that the boards for all ING money market funds have elected to apply to participate in the guarantee program.

How much will the program cost?

For ING's money market funds, the cost varies between 1 and 1.5 basis points depending on the fund.

What happens if I purchased shares after September 19th?

Purchases of any participating money market fund made after September 19th are not covered by the program. In the event of a liquidation of the fund, however, shareholders would be entitled to receive the cash received from selling all of the securities of the fund.

ING's Participation in the Program

What is the current status of ING's money market funds?

Our fund managers continue to maintain an overall portfolio of high quality money market securities and investors continue to have access to their investments.

Why did ING money market fund boards elect to participate in the program?

Board members believed that it was prudent to purchase this guarantee protection in light of the additional layer of reassurance it provides to fund investors in comparison to its cost.

ING remains confident about the value and stability of its money market mutual funds; we also believe that by participating in this program we are helping to reduce investor anxiety and overall market unease.

Can I see a list of holdings in my ING money market fund?

ING has made the holdings of its money market funds available (as of September 30, 2008 and October 8, 2008) at www.ingfunds.com/holdings

This information can be accessed by shareholders, plan fiduciaries and other interested persons.

Please remember that these portfolio holdings are current as of the dates indicated.

[continued >>>](#)

One Orange Way
Windsor CT 06095
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The Impact to ING Money Market Funds

Are All ING Money Market Funds Covered by the Guarantee?

Based upon the Treasury's initial announcement of the program on September 19th and the more recent technical correction and expansion of the program announced on October 8th, we believe that all of our money market funds should be eligible for the guarantee.

This would mean that shareholders in our money market funds as of September 19th, 2008 will be guaranteed the value of their shares as of that date, should the fund be liquidated.

It is important to remember that this is only a temporary program that expires on December 19th, unless extended by the Treasury.

In some cases, I see ING money market holdings that include the names of companies that have been in the news recently. How will these holdings impact the fund's overall stability?

Throughout the recent market turmoil, ING's Money Market Funds have maintained their per share value without any impact to shareholders. On September 23, 2008 and then on October 1, ING America Insurance Holdings, Inc. ("AIH"), a wholly-owned subsidiary of ING Group, entered into a capital support agreement ("CSA") with the ING Classic Money Market Fund, the ING Institutional Prime Money Market Fund, the ING Liquid Assets Portfolio, the ING Money Market Fund, the ING Brokerage Cash Reserves fund and the ING VP Money Market Portfolio. As of September 23 and October 1, these funds held certain notes issued by American General Finance Corp., a subsidiary of American International Group, Inc. ("AIG") and one note issued by Lehman Brothers Holdings Inc. ("Lehman") which were covered by the terms of the CSA. On October 2, 2008, most of the AIG securities matured and were paid in full except for two notes, both maturing on January 9, 2009, one in the amount of \$1,000,000 held by the ING Brokerage Cash Reserves fund and the other, in the amount of \$3,000,000 held by the ING Classic Money Market Fund. The ING Money Market fund still holds one Lehman note in the amount of \$2,000,000 with a maturity of November 24, 2008. However, the remaining Lehman note is currently in default but its value is supported by AIH under the CSA as described below.

Under the CSA, if the remaining AIG and Lehman holdings mature or are disposed of for less than their amortized cost, AIH is required to make a capital contribution in the amount sufficient for the fund to maintain a net asset value per share of not less than \$0.9950 (\$0.9975 for ING Institutional Prime Money Market Fund which maintains a rating). Such a capital contribution is subject to a maximum limit which is an amount equal to the outstanding principal balance of the security as of the date of the capital contribution.

The ING VP Money Market Portfolio maintained a per share value of approximately \$13. Will investors in that fund be covered by the Guarantee?

As initially announced on September 19, the Treasury guarantee program required that a money market fund have a stable net asset value of \$1.00 to be eligible to participate. To meet this requirement, the ING VP Money Market Portfolio implemented a stock split effective October 7th and converted the \$13 per share NAV to per share NAV of \$1.00. On October 8th, the Treasury expanded the guarantee program to money market funds that maintained a stable value net asset value or share price greater than \$1.00. As a result, we believe that the ING VP Money Market Portfolio should be eligible and we have applied for the guarantee for this fund as well.

Brokerage Cash Reserves, ING Classic Money Market Fund, ING Institutional Prime Money Market Fund, ING Liquid Assets Portfolio, ING Money Market Fund and ING VP Money Market Portfolio **Principal Risks: An investment in the Fund is not insured or guaranteed** by the Federal Deposit Insurance Corporation or any other governmental agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund. **Money market funds** are subject to less credit and interest rate risk than other income funds because they invest in short-term debt securities of the highest quality. Nevertheless, the value of the Fund's investments may fall when **interest rates rise** and the Fund could lose money if the issuer of a debt security is unable to meet its financial obligations or goes bankrupt. **Investments in mortgage-related securities** may entail prepayment risk. **Prices of mortgage-related securities** are sensitive to changes in interest rates and changes in the prepayment patterns on the underlying instruments. **These and other risks are described more fully in a Fund's prospectus.**

For More Information

You should consider the investment objectives, risks, and charges and expenses of the variable insurance product and its underlying investment options or mutual funds offered through a retirement plan, carefully before investing. The prospectuses/prospectus summaries/information booklets containing this and other information, can be obtained by contacting your local representative. Please read the information carefully before investing.

Variable annuities and group annuities are long-term investments designed for retirement purposes. If withdrawals are taken prior to age 59 ½, an IRS 10% premature distribution penalty tax may apply. Money taken from the annuity will be taxed as ordinary income in the year the money is distributed. An annuity does not provide any additional tax deferral benefit, as tax deferral is provided by the plan. Annuities may be subject to additional fees and expenses to which other tax-qualified funding vehicles may not be subject. However, an annuity does provide other features and benefits, such as lifetime income payments and death benefits, which may be valuable to you.

Variable investments, of any kind, are not guaranteed and are subject to investment risk including the possible loss of principal. The investment return and principal value of the security will fluctuate so that when redeemed, it may be worth more or less than the original investment. In addition, there is no guarantee that any variable investment option will meet its stated objective.

All guarantees are based on the financial strength and claims paying ability of the issuing insurance company, who is solely responsible for all obligations under its policies.

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ING Investment Management Co. is a sub-adviser for many of ING Funds' funds. Both ING Investment Management Co. and ING Funds Distributor, LLC are wholly-owned subsidiaries of ING Groep N.V.

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